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SUBJECT: FRAUD SUMMARY - CHILE

REF: 09 STATE 041657Z

Post is submitting the following fraud summary report, which covers the period between March 2009 to August 2009, in accordance with reftel.

COUNTRY CONDITIONS

¶1. Chile is a democratic country with a developing free-market economy. Chile is a key U.S. partner in promoting democracy, human rights, and free trade in the region and beyond. The United States and Chile have a Free Trade agreement that took effect January 1, ¶2004. Compared to other countries in the region, there is relatively little migratory "pull" to the United States. Chilean civil documents are generally reliable and formatting and security features in Chilean civil documents make falsification difficult. Chilean passports are machine readable and difficult to obtain fraudulently. Chile has a reliable system of reporting lost or stolen passports, driver's licenses, and Chilean identification cards (known as RUTs). Chileans are assigned a national ID number at the time the parents register children at the Civil Registry to obtain a birth certificate. The actual RUT card is normally not issued until a person begins traveling internationally or enters university. Much like the system of reporting a lost or stolen credit card in the U.S., Chilean citizens can go online to report a lost or stolen civil document. This information is immediately available to banks, the Chilean International Police, and other government entities.

NIV FRAUD

¶2. During this reporting period, post's Fraud Prevention Unit (FPU) conducted 187 NIV investigations and uncovered 43 fraudulent nonimmigrant visa cases (23% of investigations found fraudulent). A majority of these cases involved routine fraud, such as submission of altered bank statements or doctored employment and property documents. Post suspects visa fixers were involved in many of these cases, but there is no way to confirm these suspicions. As in the past, post has not been able to obtain cooperation from Chilean police authorities to investigate or prosecute visa fixers.

13. The FPU continues to have excellent contacts with local banks, and the Chilean tax service has been essential in verifying suspicious documents. But our most instrumental contacts have been the Administradora de Fondos de Pensiones (AFP), an employee retirement fund that working Chileans are required by law to pay into. Through our AFP contacts, the FPU is able to confirm an applicant's employer, salary, and length of employment. These contacts are important for our work because many applicants who wish to defraud the visa application system do so by lying about their employment and salary.

14. The DHS Arrival Departure Information System (ADIS) has been fully integrated into all of the units. ADIS has been used successfully by the NIV unit to uncover overstays, especially when renewal applicants arrive with "lost" passports that would reflect overstays. Post looks forward to its implementation in the NIV application towards the end of 2010. Also, post is pleased that its H/L visa fraud prevention proposal will be funded by CA/FPP. Post looks forward to using the funds to access Dicom, Chile's most powerful credit reporting agency. Post will use this tool to verify the qualifications of our H and L visa applications.

15. The J1 Summer Work and Travel program is popular among many Chilean college students. Post conducted a validation study of its FY2008 and FY2009 Summer Work Travel (SWT) J1 visa program. The

results show a steady increase in issuance, but a slight decreased in overstay rates. While FY08 saw an overstay rate of about 4.4%, FY09 results show an overstay rate of 3%. For the FY08 SWT season (December 2007-April 2008), Santiago issued 3.536 SWT J1 visas, 15% more than the previous year. For the FY09 SWT season (December 2008-April 2009), Santiago issued 3.678 SWT J1 visas, an increase of 4% over the previous year. Post is currently interviewing J1 SWT visa applicants for FY10. Although the season has just begun, applicant numbers are significantly down compared to this time last year.

16. Post has recently been receiving H2B applicants applying to work as temporary horse trainers. Post suspects that one law firm in New York is charging these unwitting applicants unreasonably high administrative fees. Post is working with Mexico City, Monterey, and CA/FPP to investigate.

IV FRAUD

17. FPU reviews K1, K2, and CR1 visa applications; in total, the IV Unit referred 104 cases to FPU. Two cases were found to be fraudulent. One K1 case involved a petitioner and a beneficiary who married weeks before the beneficiary was deported on immigration charges. During the interview, the FPU contacted them separately at the same time and discovered that their marriage was a fraud. Another case involved a couple who changed their mind after their interviews with the IV officer and FP Investigator. The couple admitted many discrepancies in their story and the evidence of relationship was found to be weak. The IV Unit has also successfully incorporated ADIS information to confirm 9B1 and 9B2 ineligibilities. ADIS is also being used to confirm eligibility for transportation letters for Legal Permanent Residents (LPRs) who have been outside the U.S. less than one year.

DV FRAUD

¶18. No DV fraud was detected during the reporting period. DV applications remain relatively low compared to neighboring countries. Last year, only 15 applicants received a DV--and five of these chose not to go through with the process.

ACS AND PASSPORT FRAUD

¶19. ACS is working with CA/FPP to investigate a possible case of imposter fraud. PIERS records indicated that a U.S. passport had been issued in the name of a passport applicant just a few months prior to her application, presumably to an imposter in the U.S. The ACS officer found strong indications that the U.S. citizen mother, who abandoned the applicant when she was three-years-old in Chile, may be a part of the fraud.

ADOPTION FRAUD

¶10. Post processed no adoption cases in this reporting period. Foreign adoptions are rare in Chile. Along with CA/Children's

Issues, post is working with SENAME (the Chilean Central Authority) to implement the Hague convention on adoption. But SENAME has not cooperated with our many attempts to make the accreditation process transparent for U.S. adoption agencies. This Chilean government agency continues to place difficult bureaucratic barriers on the adoption of children by foreigners. For example, in this reporting cycle two U.S. adoption agencies applied for accreditation and were denied by SENAME. However, post will continue to work with SENAME to help U.S. adoption agencies become accredited in Chile.

DNA TESTING

¶11. No IV or ACS applicants have opted for DNA tests.

ASYLUM AND DHS BENEFIT FRAUD

¶12. No cases of fraud were identified during the reporting period.

ALIEN SMUGGLING, TRAFFICKING, ORGANIZED CRIMES, AND TERRORIST
TRAVEL

¶13. No cases encountered.

DS CRIMINAL FRAUD INVESTIGATIONS

¶14. There were no cases of DS criminal fraud investigations during the reporting period. FPU continues to have a good working relationship with the RSO office.

HOST COUNTRY DOCUMENTATION

¶15. There were no cases of host country documentation fraud during the reporting period.

COOPERATION WITH HOST GOVERNMENT AUTHORITIES

¶16. The FPU continues to enjoy a high level of cooperation from host government authorities on issues including immigration, tax, and civil registration. However, as noted, it is difficult to get the host government to prosecute perpetrators of visa fraud. It is not a crime, under Chilean law, to provide a fraudulent document to the U.S. Embassy in pursuit of a visa.

AREAS OF PARTICULAR CONCERN

¶17. Post greatly appreciates information from CA/FPP regarding fraudulent U.S. visas being used to transit through Chile. Post believes that a regional Southern Cone fraud conference would be an effective way to alert neighboring Embassies and Consulates to similar fraud trends that surpass borders. The conference would also provide a venue to discuss potential mechanisms to improve fraud prevention and ACS processes in the region.

STAFFING AND TRAINING

¶18. The FPU consists of the Visa Unit Chief and Fraud Prevention Manager, Bill Whitaker; one Locally Engaged Staff fraud investigator, Ilse Schacker; and one Vice Consul, John Choi, currently serving a six-month rotation as the FPU Officer. The Vice Consul also serves as the IV Chief, NIV officer, and back-up ACS Officer.

¶19. The FPU Officer recently returned from the WHA FPU conference in Miami. On his return, he gave an overview presentation of the conference to the entire staff. The FPU Officer also took the lessons learned from the conference, assessed post's fraud prevention practices for their effectiveness, and reformed several FPU procedures among the NIV staff. He also instituted a monthly Sherlock Holmes prize given to the LES or officer who makes the most significant fraud prevention contribution during the previous month. As a result of both initiatives, many in the section have showed a renewed interest in detecting fraud. Post has also requested training by the DHS Carrier Liaison Program (CLP) to provide training to our airline and immigration contacts.

¶20. The LES staff has been encouraged to take online courses that focus on fraud detection. Their recent interest and participation in these courses is a positive sign of post's efforts to combat fraud. Finally, post will continue to nominate LES for FSI fraud prevention training, as no LES from post has ever attended this valuable training.

SIMONS